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June 2, 2022

The Honorable Joseph Biden
President of the United States
1600 Pennsylvania Ave., N.W.
Washington, DC 20500

Dear President Biden:

I write regarding my serious concern with this Administration's proposals under the Renewable Fuel Standard (RFS) program. While issues associated with the RFS have spanned administrations of both parties, I am concerned that this administration's proposals would worsen the hardship being experienced by independent refiners, which would exacerbate the already sky-high energy costs of consumers and threaten high-paying, blue-collar jobs across America.

While the RFS was well-intentioned, the program is not operating as Congress intended and its implementation is causing severe economic hardship on independent refiners nationwide, which is contributing to the record-high fuel prices being paid by consumers at the pump. Independent refiners' exorbitant RFS compliance costs are contributing to higher fuel prices and straining operations at American refineries. Because independent refiners often do not have large-scale blending operations, refiners must purchase credits known as renewable identification numbers (RINs) on the open market in order to comply with the RFS. Due in large part to insufficient transparency, the RIN market has become volatile with RIN prices having skyrocketed over 1,800 percent since January 2020. These out-of-control costs are unsustainable for independent refineries, which are undoubtedly causing severe harm for refinery jobs and affordable fuels for American families.

The EPA is required to annually set the Renewable Volume Obligation (RVO), which determines the volumes and types of renewable fuel that must be blended into our transportation fuel supply. EPA must act to properly adjust the RVO (or utilize the appropriate waivers or exemptions), to ensure that RIN prices do not spike. It is believed that the RFS is adding up to 30 cents for every gallon of gasoline consumers purchase at the pump which cannot be ignored, especially as the nation is facing record high gas prices.

In an effort to bring down the cost of gas for consumers and to help support refineries jobs like those at the Wynnewood Refining Company, LLC, located in Wynnewood, Oklahoma, I urge the EPA to lower the 2022 RVO below the blend wall on D6 (ethanol) RINs and in order to help balance out that reduction, I urge EPA to increase D4 (biodiesel, renewable diesel) RINs. I also urge EPA to immediately issue all Small Refinery Exemptions (SREs) without reallocating previously granted SREs, which would bring necessary relief to refiners experiencing severe economic hardship as well as help build up the RIN bank and cause RIN prices to drop.

It is essential that this Administration take every action possible to reduce the price of gas at the pump and support hardworking, high-paying jobs like those at refineries across the nation. I appreciate your consideration of this request and look forward to your reply.

Sincerely,

A handwritten signature in blue ink, appearing to read "James M. Inhofe", is positioned above the printed name.

James M. Inhofe
United States Senate